MIC

Form (2)

30141

31-12-99

The Myanmar Investment Commission

PERMIT

Permit No. 331/99 Date 31st DECEMBER, 1999

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. D.D. GUPTA

(b) Citizenship SINGAPOREAN

(c) Address 99, MAYER ROAD # 17-02 THE SOVEREIGN SINGAPORE 437820

(d) Name and address of principal organization -

(e) Place of incorporation -

(f) Type of business in which investment is to be made PRODUCTION OF PLAIN TOWELS (WEAVING, CUTTING AND STITCHING ON CMP BASIS)

(g) Place (s) at which investment is permitted THINGANGYUN BLANKET FACTORY NO.(22) LUTLATYAE ROAD, THINGANGYUN TOWNSHIP, YANGON.

(h) Amount of foreign capital US $ 565000

(i) Period for bringing in foreign capital WITHIN 3 MONTHS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 565000

(k) Permitted duration of investment 10 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR TEXTILES AND PROCESSING INDUSTRY LTD.

U Thaung

Chairman

The Myanmar Investment Commission

ပေးစာအမှတ် ၁၀၃၄၁
နေ့စွဲ ၃၁ : ၁၂ : ၉၉

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၃၁/ ၉၉ ၁၉၉၉ခုနှစ်၊ ဒီဇင်ဘာ လ ၃၁ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. D.D. GUPTA

(ခ) မည်သည့်နိုင်ငံသား SINGAPOREAN

(ဂ) နေရပ်လိပ်စာ 99, MAYER ROAD, # 17-02 THE SOVEREIGN SINGAPORE 437820

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ -

(င) ဖွဲ့စည်းရာအရပ် -

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အထည်ချုပ်ပစ္စည်းများကို C.M.P စနစ်ဖြင့်ထုတ်လုပ်ခြင်း လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) သင်္ဃန်းကျွန်းဒေသ စက်ရုံ အမှတ်(၂၂)၊ [illegible] သင်္ဃန်းကျွန်းမြို့နယ်၊ ရန်ကုန်မြို့။

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၆၅၀၀၀

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရပြီး (၃) လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၆၅၀၀၀ နှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၁၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR TEXTILES AND PROCESSING INDUSTRY LTD

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/482/99(10141)
Dated 31st December 1999.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Production of Plain Towels (Weaving, Cutting and Stitching)" under the name of "Myanmar Textiles and Processing Industry Ltd.".**

Reference: Ministry of Industry (1) Letter No. 41/1(Sa)1(2858)/99(6208) dated 9-9-99.

1. The Myanmar Investment Commission, at its meeting 18/99 held on 8-10-99 had reviewed the proposal for investment in "Production of Plain Towels (Weaving, Cutting and Stitching)" under the name of "Myanmar Textiles and Processing Industry Ltd." submitted by Mr. D. D. Gupta of Singapore as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 46/99 held on 23-12-99 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 10(Ten) years from the date of signing of the Lease Agreement and extendible for another 5 (Five) years upon mutual Agreement between Myanma Textile Industries and Myanmar Textiles and Processing Industry Ltd. At the end of the Lease Agreement, Myanmar Textiles and Processing Industry Ltd. shall transfer the leased land and buildings to Myanma Textile Industries within 3(Three) Months in good conditions without any consideration.

4. The annual rent shall be calculated at the rate of US $ 6 (United States Dollars Six Only) per square meter per annum on the covered area of (2773 square meter) to the amount of US $ 16638 (United States Dollars Sixteen Thousand Six Hundred and Thirty Eight Only) and at the rate of US $ 2.216 Per square meter per annum on the uncovered area of (11529 square meter) to the amount of US $ 25548.26 (United States Dollars Twenty Five Thousand Five Hundred and Forty Eight and Twenty Six cent Only), totally amounting to US $ 42186.26 (United States Dollars Forty Two Thousand One Hundred and Eighty Six and Twenty Six Cent Only)

5. Myanmar Textiles and Processing Industry Ltd. shall pay the annual rent for the first year amounting US $ 42186.26 (United States Dollar Forty Two Thousand One Hundred and Eighty Six and Twenty Six Cent Only) to the Myanma Textile Industries within 7 (Seven) days after the Myanma Textile Industries has handed over the leased properties. The annual payment of US $ 42186.26 (United States Dollar Forty Two Thousand One Hundred and Eighty Six and Twenty Six Cent Only) for the second year onwards shall be paid on the first day of every calendar year. The rent

shall be reviewed in view of prevailing annual rent after every 5 (Five) years period and the rate of increase of the rent shall not be more than 15 (Fifteen) percent of the rate of the preceding annual rent.

6. Myanmar Textiles and Processing Industry Ltd. shall provide a Performance Bank Guarantee to the amount of US$ 14,125 (United States Dollar Fourteen Thousand One Hundred and Twenty Five Only) in favour of the Myanma Textile Industries within 30(Thirty) days from the date of the Signing of the One Hundred Percent Agreement.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to 36(Thirty Six) months starting from the months of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Textiles and Processing Industry Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Textiles and Processing Industry Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Textiles and Processing Industry Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-year tax holiday period.

(e) As per Section-21(e), Myanmar Textiles and Processing Industry Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Textiles and Processing Industry Ltd. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Textiles and Processing Industry Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

8. Myanmar Textiles and Processing Industry Ltd. shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with the Myanma Textile Industries. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Textiles and Processing Industry Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Textiles and Processing Industry Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. Myanmar Textiles and Processing Industry Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Textiles and Processing Industry Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

15. Whenever Myanmar Textiles and Processing Industry Ltd. brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

17. Myanmar Textiles and Processing Industry Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar Textiles and Processing Industry Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Myanmar Textiles and Processing Industry Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

20. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Textiles and Processing Industry Ltd..

21. Myanmar Textiles and Processing Industry Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(U Thaung)
Chairman

Mr. D. D. Gupta
99, Mayer Road, # 17-02 The Sovereign
Singapore 437820

c/o Managing Director
Myanma Textile Industries

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Industry (1)
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank

20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry